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Executive Registry  
9-3172

22 APR 1957

MEMORANDUM FOR: Deputy Director (Plans)

SUBJECT : Character and Level of Clandestine Operations in Fiscal Year 1959.

REFERENCES : a. Memo dtd 7 Mar 57 to DCI fr DD/P, same subject (T/S 148091).  
b. Memo dtd 26 Mar 57 to DCI fr C/PRC, same subject.  
c. Ltr dtd 8 Apr 57 to DCI fr D/BOB.  
d. Ltr dtd 26 Apr 57 to D/BOB fr DCI

1. After careful consideration of the Clandestine Services' Character and Level Program for Fiscal Year 1959 (Reference a.), as well as the over-all budgetary problems with which the Agency is confronted at this time, I have concluded that the Agency's Budget presentation for Fiscal Year 1959 will not exceed the level of the Fiscal Year 1958 Budget now before the Congress and have so advised the Director of the Budget. (Reference d.) 25X1

3. With regard to personnel, I recognize that some moderate increases may be necessary in the field. However, in the departmental area I firmly believe that a substantial decrease can be effected.

25X1

MORI/CDF Pages 3-6, 8-9.

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Allen W. Dulles

Director of Central Intelligence

25X1

DD/S:LKW:

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L. K. White, Deputy Director (Support)

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CENTRAL INTELLIGENCE AGENCY OFFICIAL ROUTING SLIP			
TO	NAME AND ADDRESS	INITIALS	DATE
1	DDCI <i>me</i>	<i>clc</i>	<i>6 April</i>
2	DCI		
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ACTION		DIRECT REPLY	PREPARE REPLY
APPROVAL		DISPATCH	RECOMMENDATION
COMMENT		FILE	RETURN
CONCURRENCE		INFORMATION	SIGNATURE
Remarks <i>① to ②: Recommend this as a second subject of discussion at your 18 April meeting with Deputies at Alibi Club.</i> <i>clc</i>			
FOLD HERE TO RETURN TO SENDER			
FROM: NAME, ADDRESS AND PHONE NO.			DATE
SA/PC/DCI 321 Admin.			5 Apr
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MEMO

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MEMORANDUM FOR:

"It will be assumed that throughout the projected period the general international situation will remain unchanged. It will also be assumed that prices on the average will continue at about present levels. The estimates will not be increased for any anticipated raises in the pay rates of Government, military, and civilian employees."

In order to make the 1 May deadline, we need guidance on these points as early as possible.



L. K. White

9 Apr 57  
(DATE)

STAT

MEMORANDUM FOR: Mr. Dulles

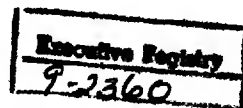
The attached letter from the Director, Bureau of the Budget, was handed to us yesterday.

Your decision with regard to the "character and level" paper for the Clandestine Services <sup>attached</sup> which is now before you---is essential in order that we may proceed to prepare the necessary information. It is also essential that we have further guidance with regard to whether or not we are going to reduce, maintain the status quo, or expand our personnel strength.

The supplementary instructions mentioned in the last paragraph of Mr. Brundage's letter contain the following general assumptions:

DD/5-57-1214

EXECUTIVE OFFICE OF THE PRESIDENT  
BUREAU OF THE BUDGET  
WASHINGTON 25, D. C.



APR 8 1957

My dear Mr. Dulles:

We are preparing plans for the 1959 fiscal year budget and also need your best estimates as to plans and forecasts for 1960, 1961, and 1962. For planning purposes it seems desirable to set the 1959 budget totals significantly lower than those of the 1958 budget as presented to Congress. This applies both to new obligational authority and estimated expenditures, and will be necessary if we are to consider recommending some tax reductions a year from now effective for fiscal 1959.

It is also desirable that the general level of expenditures be held at about the current level over the following three years. Some increases will, of course, be found necessary during this period. It is therefore essential that a searching review be made of existing programs and advantage taken of every possibility for reductions. In submitting your preliminary estimate for the four-year period, please identify those areas in which you feel that some increases are necessary and also those other areas in which reductions may be possible.

Your statements need not be prepared in great detail but should set forth major changes in your principal programs. Such summarization will allow sufficient time for assembly and discussion before decisions are reached regarding the administration policy for this period. We would appreciate receiving your preliminary estimates for both new obligational authority and expenditures by May 1. After determination of administration policy, necessary revisions in the estimates for this whole period can be prepared and submitted to the Bureau of the Budget by June 1 as the basis for discussion and the establishment of specific ceilings and targets for the 1959 budget.

Instructions as to the form of the preliminary estimates and the procedure and time schedule for handling them are being communicated to your budget officer. We are planning to complete the establishment of ceilings and targets before June 30, 1957.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Percival Brundage".

Director

Honorable Allen W. Dulles  
Director, Central Intelligence Agency  
Washington 25, D. C.

A handwritten number "1 1000000" with a large "1" and a series of zeros.